



Texas Department of Insurance, Division of Workers' Compensation  
Medical Fee Dispute Resolution, MS-48  
7551 Metro Center Drive, Suite 100 • Austin, Texas 78744-1609

## MEDICAL FEE DISPUTE RESOLUTION FINDINGS AND DECISION

### PART I: GENERAL INFORMATION

Requestor's Name and Address:

Renaissance Hospital - Dallas  
P.O. Box 11527 Central Business Office  
Houston, TX 77293-1527

MFDR Tracking #:

M4-07-5552-01

DWC Claim #:

Injured Employee

Respondent Name and Box #:

American Home Assurance Co.  
Box # 19

Date of Injury:

Employer Name:

Insurance Carrier

### PART II: REQUESTOR'S POSITION SUMMARY AND PRINCIPLE DOCUMENTATION

Requestor's Position Summary: "This bill should have been audited and reimbursed per the Stop-Loss Reimbursement Factor and methodology per the criteria as defined in TDI-DWC rule 134.401(c)(6)(A)."

Principle Documentation:

1. DWC 60 package
2. UB-92(s)
3. EOB(s)
4. Medical Reports
5. Total Amount Sought \$29,430.50

### PART III: RESPONDENT'S POSITION SUMMARY AND PRINCIPLE DOCUMENTATION

Respondent's Position Summary: "Requestor billed a total of \$52,656.66. The Requestor asserts it is entitled to reimbursement in the amount of \$39,492.50, which is 75% of the total charges. Requestor has not shown entitlement to this alternative, exceptional method of calculating reimbursement and has not otherwise properly calculated the audited charges."

Principle Documentation:

1. DWC 60 package

### PART IV: SUMMARY OF FINDINGS

Date(s) of Service	Denial Code(s)	Disputed Service	Amount in Dispute	Amount Due
5-5-06 thru 5-14-06	W1, 42, 16	Inpatient Hospitalization	\$29,430.50	\$29,430.50
Total Due:				\$29,430.50

1999-2000

1998-1999

1997-1998

1996-1997

1995-1996

#### **PART V: REVIEW OF SUMMARY, METHODOLOGY AND EXPLANATION**

1. These services were denied by the Respondent with reason code "W1-Workers Compensation State Fee Schedule Adjustment; 42-Charges exceed our fee schedule or maximum allowable amount; and 16-Claim/service lacks information which is needed for adjudication. Additional information is supplied using remittance advice remarks codes whenever appropriate."
2. This dispute relates to inpatient services provided in hospital setting with reimbursement subject to the provisions of Rule 134.401 (Acute Care Inpatient Hospital Fee Guideline). The hospital has requested reimbursement according to the stop-loss method contained in that rule. Rule 134.401(c)(6) establishes that the stop-loss method is to be used for "unusually costly services." The explanation that follows this paragraph indicates that in order to determine if "unusually costly services" were provided, the admission must not only exceed \$40,000 in total audited charges, but also involve "unusually extensive services."
3. Based upon the Operative report, the claimant underwent left hemilaminotomy and microdiscectomy at L5-S1, and insertion of epidural catheter for Marcaine 48-hour postoperative pain pump.
4. The Discharge Summary report indicates that claimant's surgery was performed without complications. It noted that "She did have prolonged postoperative course secondary to pain and did complain of some numbness in the bilateral big toes and some radicular pain in the left leg. This did slowly resolve over the next 3-4 days."
5. Based upon the UB-92 the total charges were \$52,656.66 for the inpatient hospitalization.
6. Because the total audited charges exceed \$40,000, the stop-loss method does apply and the reimbursement is to be based on the stop-loss methodology.
7. Rule 134.401(c)(6)(A)(iii), states "If audited charges exceed the stop-loss threshold, reimbursement for the entire admission shall be paid using a Stop-Loss Reimbursement Factor (SLRF) of 75%."
8. Rule 134.401(c)(6)(A)(v), states "Audited charges are those charges which remain after a bill review by the insurance carrier has been performed." The insurance carrier audited the bill and submitted EOBs to support their reduction of billed charges. The insurance carrier audited the bill and paid for services based upon the per diem methodology. No other audit reductions of charges were presented by Respondent.
9. Rule 134.401(c)(6)(B), indicates "Formula. Audited Charges X SLRF = WCRA." Therefore, the amount billed  $\$52,656.66 \times 75\% = \$39,492.50$ .
10. The insurance carrier audited the bill and paid \$10,062.00 for the inpatient hospitalization. The difference between amount due and paid = \$29,430.50.

Considering the reimbursement amount calculated in accordance with the provisions of Rule 134.401(c) compared with the amount previously paid by the insurance carrier, the Division finds that additional reimbursement of \$29,430.50 is due for these services.

#### **PART VI: GENERAL PAYMENT POLICIES/REFERENCES**

Texas Labor Code Sec. §413.011(a-d), §413.031 and §413.0311  
28 Texas Administrative Code Sec. §134.401 effective 8-1-97, 133.307  
Subchapter G, Chapter 2001, Texas Government Code



**PART VII: DIVISION DECISION**

Based upon the documentation submitted by the parties and in accordance with the provisions of Texas Labor Code, Sec. §413.031, the Division has determined that the Requestor is entitled to additional reimbursement. The Division hereby **ORDERS** the Carrier to remit to the Requestor the amount of \$29,430.50 plus accrued interest per Rule 134.130, due within 30 days of receipt of this Order.

**ORDER:**

Authorized Signature

Director of Medical Fee Dispute Resolution

Date

5/22/08

**DECISION:**

Authorized Signature

Medical Fee Dispute Resolution Officer

Date

5/22/08

**PART VIII: : YOUR RIGHT TO REQUEST AN APPEAL**

Either party to this medical fee dispute has a right to request an appeal. A request for hearing must be in writing and it must be received by the DWC Chief Clerk of Proceedings within **20** (twenty) days of your receipt of this decision. A request for hearing should be sent to: Chief Clerk of Proceedings, Texas Department of Insurance, Division of Workers Compensation, P.O. Box 17787, Austin, Texas, 78744. **Please include a copy of the Medical Fee Dispute Resolution Findings and Decision** together with other required information specified in Division Rule 148.3(c).

Under Texas Labor Code Section 413.0311, your appeal will be handled by a Division hearing under Title 28 Texas Administrative Code Chapter 142 Rules if the total amount sought does not exceed \$2,000. If the total amount sought exceeds \$2,000, a hearing will be conducted by the State Office of Administrative Hearings under Texas Labor Code Section 413.031.

Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 512-804-4812.

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